

Connecticut State Board of Accountancy
December 04, 2007
Minutes

Chairman Reynolds called the meeting to order at 8:35 A.M. in the second floor conference room, 30 Trinity Street, Connecticut.

Present:

Thomas F. Reynolds, CPA, Chairman
Richard P. Bond
James S. Ciarcia
Philip J. DeCaprio Jr., CPA
Richard H. Gesseck, CPA
Leonard M. Romaniello, Jr., CPA, CITP, MST
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinschel, CPA

Staff Members Present:

David L. Guay, Executive Director
Rebecca E. Adams, Esq., Board Counsel
Angel D. Acevedo, Office Assistant

Motion made by Michael Weinschel and seconded by Richard Sturdevant to accept and approve the minutes of the November 06, 2007 State Board of Accountancy meeting; All voted in favor, except Richard Bond, Richard Gesseck, Leonard Romaniello who abstained.

In a continued discussion of the Mobility Legislation, representatives from the Accountants Coalition and NASBA were both present to assist Attorney Adams in her analysis of the proposed legislation:

- Noel Allen, Counsel, NASBA
- Michael Duffey, Ernst & Young Accountant's Coalition

The issue, as explained by attorney Adams, before the Board this morning is what they would like to accomplish out of mobility. In an effort to explain mobility further, she went on to explain the following points:

- The UAA Model is based on substantial equivalency under NASBA'S definitions; CPA's will have the ability to perform work as a license holder but won't have to go through the sometimes strenuous application process.
- As long as a firm is practicing through someone with a practice privilege they don't have to necessarily get a firm permit.
- Under the UAA Model, individuals consent to jurisdiction by simply coming into Connecticut to practice.

In her summation, Attorney Adams explained to the Board the issue at hand boils down to whether they are going to accept the UAA model, or whether there are other options they would like to exercise.

- Furthermore, Attorney Adams ensured board members by accepting mobility the Board's ability to take action against a licensee, firm, or individual who practices within our jurisdiction would not be diminished.
- Individuals will be held accountable here in terms of their practice privileges then they would be referred to their home state. The hope is for other state boards to take any action against an individual's practice privileges seriously.
- In order to serve the best interests of the public the board will be relying on the cooperation from all boards involved.

The Board would still like to introduce this new legislation during the 2008 Legislative Session.

➤ **Executive Director's Operations Update and Review:**

On-line Renewal – On-line lookup and Licensing Database

- Continues as highest priority special project
 - Launched on 11/05/07 – First transaction on 11/8/07
 - Taken off line 11/15/07 – 11/20/07 & 11/27/07
 - Over 1500 on-line transaction so far representing about 17 % of the total anticipated renewals
 - Staffed the office on the first weekend
 - We've attempted to respond to every phone call, voice mail and email within less than 24 hours.
 - Persistent problems
 - Login
 - CPE reporting, capture and calculation
 - Credit card transaction
 - Dual transactions
 - Firm status information
 - Peer review status & updating
 - Partner listing for firms
 - Data transfer issues
 - Reconciliation and printing of licenses
- Funding request denied by OPM Administration (Not Budget Division) for hosting costs in FY08, new cost of \$1028.75 per month coming out of existing funds for FY08, asked for new funding in FY09 to be included in budget revision before the Gov. & Legislature
- On-line lookup is working without a problem, we have been reviewing our oldest records (grade cards) and updating the data base to reflect all certificate holders that we have a record of, with correct last address, correct issue date of certificate, and passing exam grades

- I've received several calls from individual's concerned with the disclosure of old firm permits

Website

- Upgrade effort – Minimal progress in last month due to launch of on-line renewal
- Updating on an as needed basis

Business continuity & pandemic planning

- Placed on the back burner for the moment

2008 Legislation - Mobility

- Analysis by Attorney Adams before you today
- Working group met at Tom's office on November 7, 2007

Regulation Project and Effort

- Attorney Adams has three Regulations in process
 - PA Conversion Regulations – just passed
 - Exam Fee Regulation
 - Permanent Education Regulation
- Need to continue monthly review in conjunction with CSCPA Study
- Continuing to work on final portion of Experience Regulation
- Staff anticipates further regulation proposals in the near future to automate CPE and Peer Review Filing Enforcement

Records Retention Effort

- CPA Exam Grade cards, scanning completed
- Planning for scanning of minutes with originals to the State Archives completed, budget concerns prevent immediate implementation, current estimate of cost \$2739.00
- Download from NASBA of grades still needs to be planned and accomplished
- Electronic records reviewed and plan for proceeding with destruction and retention created and we are initiating the plan

100th Anniversary

- Commemorative Portfolio designed and purchased
- Invitation list created and being revised
- Anticipated Anniversary Agenda – meeting at the Capitol, light breakfast, refreshments with short remarks
- Have provided suggested dates to the Governor's Office of January 21 -25, 2008 and January 28, - February 1, 2008

Staff

- We had significant absences in October and November.

CPA Exam

- Follow up letter to our October 2, 2007 Board meeting from Douglas Porta

- Invited Craig Mills of the AICPA to the February or March 2008 Board meeting
- Opportunity to comment on Exam improvements – Invitation received from AICPA
- Prof Grambling has made an inquiry about awards for high exam grades.

Governor's Care & Share

- We are participating as an agency in the 24th Annual Governor's Care & Share Food Drive
- We have a collection box in the office – prepared by Elizabeth Guay
- We are prepared to accept both monetary and food donations

Motion made by James Ciarcia and seconded by Philip DeCaprio to approve the December 04, 2007 list of individual applications for CPA Certificate, Registrations and CPA Licenses. All Voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Richard Bond to approve the December 04, 2007 list of Firm Permit to Practice applications. All voted in favor; no votes and no abstentions.

Attorney Adams gave the Board an update on the Regulations she has in process:

- PA to CPA- Has been published.
- Permanent 120 hours for CPA Exam- Published in the law journal on December 11, 2007.
- CPA Exam Fee- At the Attorney General's office; January '08, or February '08 the earliest Attorney Adams expects it to come back.

Under Public Comment:

- Arthur Renner, Executive Director of Connecticut Society of CPA's, addressed the board briefly.
- Prof. Andrew Rosman, University of Connecticut, also briefly addressed the board.

PUBLIC SESSION

ENFORCEMENT AGENDA DECEMBER 04, 2007

A. REQUESTING SETTLEMENT APPROVAL

Continuing Public Education Settlements

Engstrom, Eric	license #10937
Farrell, David	license #5362

Fonda, David	license #7186
Fusarelli, Angela	license #10633
Laflamme-Miller, Cheryl	license #12569
Pettibone, Ann	license #6116
Theissen, Michael	license #10607

Recommend Settlement – All have submitted CPE by the terms of their settlements and paid \$250

Motion made by Philip DeCaprio and seconded by Richard Gesseck to approve Attorney Adams' request for settlement approval in regards to license #'s: 10937; 5362; 7186; 10633; 12569; 6116; 10607. All voted in favor ; no votes against and no abstentions.

B. REQUESTING FORMAL CHARGES

2005019-2824 Howard Gold – Fraud in the practice of public accountancy

Mr. Gold is accused of defrauding an elderly client out of \$13,500. The matter was reported to the Hamden Police and a suit was brought in New Haven Superior Court as a civil matter. A compliance meeting was held March 6, 2007 which Mr. Gold did not attend. The status of the civil suit is not entirely clear. However, the on line record appears to indicate some sort of judgment has been rendered against Mr. Gold in the matter. Mr. Gold has refused to claim any of the certified mail directed to him regarding this matter. New complaints also indicate that this situation is not isolated incident.

Requesting formal charges – to be served by State Marshal

Motion made by Philip DeCaprio and seconded by Richard Gesseck to accept Attorney Adams' recommendation of bringing formal charges against Mr. Howard Gold (Case# 2005019-2824) for fraud. All voted in favor; no votes against and no abstentions.

C. UPDATE AND DISCUSSION

PETER MARINO – CERTIFICATE, LICENSE, AND PERMIT REVOKED JULY 10, 2007

Mr. Marino has discontinued his firm and individual practice as directed under the Board Order. However, he has abandoned his office and his clients cannot gain access to their records.

Motion made by Philip DeCaprio and seconded by Leonard Romaniello at 11:28 A.M. to close the Public Session of board meeting and enter into Executive Session. All voted in favor; no votes against and no abstentions.

Motion made by James Ciarcia and seconded by Richard Bond to come out of Executive Session at 11:41 A.M. All voted in favor; no votes against and no abstentions.

Motion made by Philip DeCaprio and seconded by Richard Bond to adjourn the December 04, 2007 Board Meeting; all voted in favor. The meeting was officially closed at 11:42 A.M.